



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 10 2008

Michael B. Trister
Lichtman, Trister & Ross
1666 Connecticut Avenue, N.W.
Fifth Floor
Washington, D.C. 20009

RE: MUR 5970
ARCA Foundation

Dear Mr. Trister:

On February 5, 2008, the Federal Election Commission notified your client, The ARCA Foundation ("ARCA"), of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). On October 22, 2008, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe ARCA violated 2 U.S.C. § 441a(a)(1). Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). The Factual and Legal Analysis, which explains the Commission's findings, is enclosed for your information.

If you have any questions, please contact Elena Paoli, the attorney assigned to this matter at (202) 694-1548.

Sincerely,

A handwritten signature in black ink that reads "Julie K. McConnell/eip".

Julie K. McConnell
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

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4 **RESPONDENT: ARCA Foundation**

MUR: 5970

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7 **I. INTRODUCTION**

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9 This matter was generated by a complaint filed with the Federal Election Commission by
10 Lori Sherwood. See 2 U.S.C. § 437g(a)(1).

11 **II. FACTUAL AND LEGAL ANALYSIS**

12 Donna Edwards for Congress ("Committee") is the authorized candidate committee for
13 Donna Edwards, who was running for Congress from Maryland in the 2006 and 2008 primaries.
14 The ARCA Foundation ("ARCA") is a 501(c)(3) organization "dedicated to the pursuit of social
15 equity and justice." See www.arcafoundation.org/mission/htm. As Executive Director of ARCA
16 since January 2000, Donna Edwards reviews grant proposals and makes recommendations to the
17 ARCA Board of Directors regarding which proposals to fund. Edwards has taken leaves of
18 absence from ARCA during two campaigns for federal office: June 1, 2006 through September
19 15, 2006 (2006 Primary Election) and August 31, 2007 through February 15, 2008 (2008 Primary
20 Election).¹

21 The complaint alleges that ARCA made excessive in-kind contributions to the Committee
22 in connection with the work of Edwards. Specifically, the complaint alleges that the grants
23 ARCA gave to various organizations are excessive, in-kind contributions to Edwards because
24 those organizations in-turn made contributions to the Committee.

¹ Edwards filed Statements of Candidacy on April 17, 2006 and April 27, 2007.

**ARCA
Factual and Legal Analysis
MUR 5970**

1 **ARCA states that it only makes grants to other 501(c)(3) organizations, not political**
2 **committees. ARCA further states that the ARCA Board decides which organizations receive**
3 **grants, not Donna Edwards. ARCA concludes that its grants to third parties are not contributions**
4 **to Edwards and that the complaint fails to allege any facts showing that ARCA funds benefited**
5 **either of the Edwards' campaigns in any way.**

6 **The Act, as amended by BCRA, provides that no person shall make contributions to any**
7 **candidate and his or her authorized political committee with respect to any election for federal**
8 **office, which, in the aggregate, exceed \$2,300. 2 U.S.C. § 441a(a)(1)(A).**

9 **There is no information suggesting that contributions to Edwards from third-party**
10 **organizations and individuals employed by those organizations were given in exchange for grants**
11 **from ARCA. Therefore, there is no reason to believe that ARCA violated 2 U.S.C. § 441a(a)(1)**
12 **by making excessive in-kind contributions to Donna Edwards for Congress.**